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CENTRAL INTELLIGENCE AGENCY Office of Current Intelligence 18 September 1965

## INTELLIGENCE MEMORANDUM

The India Pakistan Situation (Report # 49 - As of 6:00 A.M. EDT)

1. About 200 Chinese Communist troops -- apparently a patrol -- crossed the line of actual control in the southern Ladakh area opposite southwestern Tibet on 18 September.

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- 2. The incident may also be in retaliation for alleged Indian incursions across the Chinese border further north, in Sinkiang province. Peking's official New China news agency on 18 September claimed that Indian troops had penetrated the Sinkiang border up to almost two miles in separate occasions on 11 and 16 September. The statement asserted that "Chinese authorities" were "concerned" over the incidents and were "closely watching the intruding and provocative activities of the Indian side and have enhanced their vigilance." It made no further threats. however, and did not directly link the NCNA article with the formal ultimatum of 16 September on the Sikkim area. The timing of the article and the reported incident in Ladakh suggests they were designed to gain maximum psychological effect on the Indians.
- 3. India has sufficient forces both in Ladakh and in the Sikkim-Assam area to deal effectively with the Chinese forces now known to be in the area, particularly if Chinese activity is confined to such patrolling and minor probes. Indian apprehensions, already high, are likely to be further intensified by such Chinese moves, however.

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- 4. The Indians are aware that a major Chinese move in force in Ladakh would present them with a very difficult situation. Indian reinforcements sent to Ladakh from the Vale of Kashmir would open the Vale to infiltration by the additional thousands of armed West Pakistani tribesmen who have been seen moving eastward toward the fighting front in the past week. Any attack on Ladakh would also force the Indians to consider transferring some of their forces from the Punjab to points in Kashmir. It might even ease the situation sufficiently to enable Pakistan to thrust forward again on the Chhambakhnur front and cut the Indian-Kashmir road at Jammu—thereby preventing the reinforcement of its Kashmir forces that India would need to make.
- 5. Peking's follow-up to the 16 September ultimatum appears designed to magnify its shock effect. The note was given front-page treatment yesterday, with the three-day time limit headlined. An editorial in the People's Daily on 18 September is a polemic which appears primarily designed to place the onus for the current crisis on the USSR, as well as on the US and India. No new threats have been issued, nor has Peking elaborated the original statement. No movements of Chinese troop units into or within Tibet or western Sinkiang have been noted.
- 6. The Indian radio reports the Indian chargé in Peking was treated bruskly when he was handed the 16 September note. The radio report continues: "Asked whether the note was an ultimatum of war, the Chinese official again did not reply for some time but later said, 'Yes it is, and India should be prepared to face the consequences if India does not accept it.'" It is impossible to judge the accuracy of this account.
- 7. Delhi radio reports a meeting between the Indian ambassador in Moscow and Kosygin at which the Chinese note was discussed. The radio claims that the USSR will continue its regular arms shipments to India and adds that informed sources claim that, if China carried out its threat against India, the Soviet Union will "react with some response." There is as yet, however, no authoritive response to the Chinese ultimatum.

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- 8. Major battles are apparently again underway both in the Sialkot area and before Lahore, although hard information on the course of the fighting is scarce. The Pakistanis claim to have beaten back an Indian attack in the Phillora-Chawinda sector some ten miles southeast of Sialkot, but there are indications that Indian forces remain in the area. The Indians may be attempting to invest Sialkot by driving around it from the south. Large numbers of tanks have reportedly been destroyed in the fighting, but these losses are probably considerably exaggerated.
- 9. The Indians claim to have reached the outskirts of Lahore in their drive along the Amritsar-Lahore axis, but the Pakistanis claim to have thrown them back here also. The Indians seem as intent on wearing down and crippling the Pakistani force in the field as they are in occupying ground. Pakistan, however, continues to claim gains in Kashmir, where they have now reportedly occupied some 200 square miles of territory in the Chhamb area.
- 10. The Consulate General in Bombay reports leaders and residents there are showing satisfaction with the progress of hostilities, taking the attitude that the Indians are now teaching the Pakistanis a lesson, elated over a new sense of national unity, and participating spontaneously in arrangements for civil defense. Widespread preventive arrests of Pakistani nationals, suspect Indian Muslims, and "anti-social elements" are reported in Maharashtra State, in which Bombay is located.
- 11. Commenting on a recent press report of a hostile Naga attack on a village on the Assam-Nagaland border, a Nagaland member of parliament told the US embassy that he was convinced the action resulted from "local politics" and had no connection with the current hostilities. He added that any hostile on the part of the Naga dissidents would have extremely adverse effects throughout India, and Nagaland State Government leaders were attempting to convey this message to the dissident leaders.

- 12. India will put its food production on a war footing today. New Delhi informed the chief ministers of all states that they must immediately prepare priority lists for a "national emergency levy" on farmers in their areas, based on the size of individual farms. Statutory rationing will go into effect in all towns of more than 100,000.
- McConaughy, Pakistani Foreign Minister Bhutto again asked for direct US involvement in an effort to solve the conflict. Bhutto claimed that Pakistan wanted an end to the fighting, but continued to insist that this could not mean that the Kashmir issue was again put in cold storage. Bhutto claimed that Pakistan did not want a cease-fire for the moment, but a cease-fire over the Kashmir issue "for all time." He acknowledged that the cease-fire arranged in the Rann of Kutch dispute presented a useful precedent, but reiterated that some sort of tacit understanding about Kashmir was a necessary corollary to an end to the fighting.
- 14. Bhutto's statements appear to reflect considerable anxiety within the Pakistani Government. Ambassador McConaughy comments that Pakistan would probably accept any cease-fire that did not rule out the Pakistani position on Kashmir, and that a new and more realistic US-Pakistani confrontation toward "purposeful settlement."

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